



To: Montana Senate Fish and Game Committee

From: Rob Arnaud

Date: February 18, 2015

Subject: SB Bill 333

Senators thank you for a chance to comment on SB 333. I am a currently a MT, WY and CA outfitter and I whole heartedly support Senator Henkel's bill #333.

I have been an outfitter in MT since 1980, which is the year I graduated from Montana State University. As the owner operator of Montana Hunting Company I have seen lots of changes over the years. In all my years as an outfitter the one thing I haven't seen change is our non-residents clients desire to hunt in a fair chase situation or their willingness to spend money on the sport they love.

To substantiate this statement I turned to the Preliminary 2014 Montana Nonresident Traveler Expenditures and Economic Contribution done by U of M's Tourism & Recreation Research, which shows Outfitter and guides clients contribute 6% or \$248,650,000 of the state's tourism money, which makes us the 6<sup>th</sup> highest contributor to the state's tourism industry. I have included two handouts by U of M Tourism Recreational Research division that substantiate these numbers.

But there is more! License sales make up the majority of FWP annual budget and the non-residents hunters and anglers contribute no less than 67% of Montana Fish Wildlife and Parks annual budget! Without the non-resident dollars supporting our FWP we would obviously have some serious short comings in our ability to manage wildlife and fish in this state. Please see a handout from Marjorie Gilbert, Financial Operations Manager for FWP.

Now concerning the proposed stricken verbiage from this bill that accuses non-residents hunters of wasting wildlife and destruction of property; all I can say is really? Guides and outfitters are economically driven to never participate in any unlawful activity, if they do their professional business license can be revoked. Wanton waste of wildlife is an abomination to all folks, hunters as well as non-hunters. Taking good care of wild meat is one of the hall marks of a good outfitter. Our clients alone donate about 5,000 lbs of processed meat annually to the local food bank in Bozeman. It is not that our clients don't like wild meat for their own consumption it has more to do with FED EX charging \$8/lb to fly it home! I have heard testimony from other outfitters who have similar stories as mine concerning non-residents harvested meat, and the subsequent donations to local food banks.

I urge you to support SB 333.



# PRELIMINARY 2014 Montana Nonresident Traveler Expenditures & Economic Contribution

TOURISM & RECREATION RESEARCH



## 2014 Contribution of Nonresident Traveler Expenditures to Montana's Economy

- In 2014, nonresident visitors to Montana spent a projected \$3.98 billion in the state. (See Table 2 below)
- This \$3.98 billion in local spending directly supports \$3.26 billion<sup>1</sup> of economic activity in the state, and supports an additional \$1.86 billion<sup>2+3</sup> of economic activity, indirectly.
- The projected total contribution of nonresident spending to Montana's economy was \$5.11 billion<sup>4</sup> in 2014.

Table 1 - Prelim. 2014 Economic Impact	Direct	Indirect	Induced	Combined
Industry Output	\$3,257,790,000 <sup>1</sup>	\$843,690,000 <sup>2</sup>	\$1,011,970,000 <sup>3</sup>	\$5,113,450,000 <sup>4</sup>
Employment (# of jobs)	38,870	7,050	9,350	55,270
Employee Compensation	\$976,710,000	\$222,840,000	\$284,580,000	\$1,484,130,000
Proprietor Income	\$168,240,000	\$44,270,000	\$52,160,000	\$264,670,000
Other Property Type Income	\$393,270,000	\$161,510,000	\$221,470,000	\$776,250,000
State & Local Taxes	—	—	—	\$276,710,000 *

**Direct impacts** result from nonresident traveler purchases of goods and services; **Indirect impacts** result from purchases made by travel-related businesses; and **Induced impacts** result from purchases by those employed in travel-related occupations.

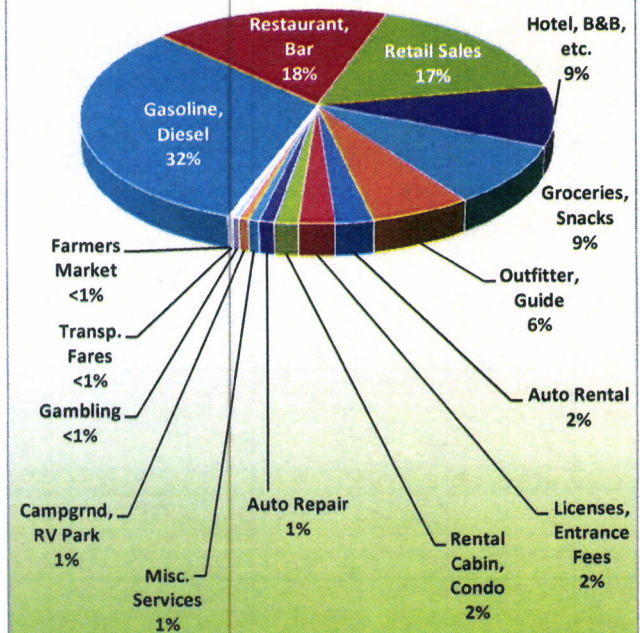
**Industry Output** is the value of goods & services produced by an industry which nonresidents purchase. **Employment** is full- and part-time average annual jobs. **Other Property Type Income** consists of payments for rents, royalties and dividends.

\* **CHANGE:** The IMPLAN data set now incorporates state-level BEA TOPI (taxes on production and imports) data, rather than using U.S. data to produce state-level estimates, as was done in previous IMPLAN data sets. Comparison to years prior to 2012 is not advised.

## Table 2 - 2014 Nonresident Traveler Expenditures<sup>5</sup>

Expenditure Category	Average Daily Per Group <sup>6,7</sup>	Allocation by Category	Total Expenditures <sup>6,8</sup>
Gasoline, Diesel	\$51.78	32%	\$1,270,840,000
Restaurant, Bar	\$28.83	18%	\$707,850,000
Retail Sales	\$28.04	17%	\$675,690,000
Hotel, B&B, etc.	\$14.64	9%	\$359,530,000
Groceries, Snacks	\$14.61	9%	\$358,110,000
Outfitter, Guide	\$10.23	6%	\$248,650,000
Auto Rental	\$3.83	2%	\$94,310,000
Licenses, Entrance Fees	\$3.66	2%	\$88,850,000
Rental Cabin, Condo	\$2.32	1%	\$57,400,000
Auto Repair	\$1.51	1%	\$37,370,000
Misc. Services	\$1.10	1%	\$26,470,000
Campground, RV Park	\$0.94	1%	\$23,410,000
Gambling	\$0.71	<1%	\$17,210,000
Transportation Fares	\$0.28	<1%	\$7,000,000
Farmers Market	\$0.22	<1%	\$5,490,000
<b>Projected Total</b>			<b>\$3,978,180,000</b>

### Preliminary 2014 Expenditure Allocation by Category



<sup>5</sup>Spending data are gathered via on-site surveys of nonresident travelers at airports, gas stations, and rest areas in MT. Travelers report 24 hours worth of trip expenditures representing the day during which they were intercepted by an ITRR surveyor.

<sup>6</sup>Data are collected quarterly. Therefore, avg. daily expenditures are weighted averages of quarterly figures. <sup>7</sup>Expenditures may appear lower than typical costs in these categories because they are averaged across all visitor groups. <sup>8</sup>Expenditure category totals may not add to year total due to rounding.



## Niche News: Montana's Outfitter and Guide Industry

**Research Methods: Business Survey** - Outfitter names were obtained from USFS, BLM, NPS, MTFWP, MT Board of Outfitters, Travel MT, MOGA, & FOAM. Duplicates and undeliverables were eliminated identifying 998 active outfitters in Montana in 2005. 33% of outfitters (n=333) returned the mailed business survey. Phone surveys to 70 non-respondents found no difference between respondent/non-respondent outfitters. **Client Survey** - Clients on outfitted trips were either intercepted by researchers or given a survey by the guides and returned by mail. 238 client surveys were returned for the 2006 client study. Client surveys were weighted according to the number and type of clients reported by outfitters to accurately represent all types of outfitted clients.



### OUTFITTED CLIENTS

#### 318,600 outfitted clients in 2005

124,000 (39%) - Rafting/floating/canoeing/kayaking  
63,800 (20%) - Fishing  
48,270 (15%) - Other (Includes birding, snowmobiling, tours, photography, wildlife watching, snowcoach, wagon train, dog sledding, etc.)  
45,100 (14%) - Horse trips  
19,500 (6%) - Hunting  
18,000 (6%) - Hiking/Backpacking

85% of all guided clients are involved in either hunting, angling, rafting/floating, horseback riding, or hiking/backpacking.

#### Primary purpose for being in MT (91,000 in MT for the outfitted trip)

- **Hunters:** 82% of hunters came to MT for the outfitted trip; 16% say it's one part of their trip.
- **Anglers:** 33% of anglers came to MT for the outfitted trip; 43% say it's only one part of their MT trip; 13% say they are here for business and vacation including guided trip; 13% MT residents.
- **All others:** 23% of other activity clients came to MT for the guided trip; 60% say it's only one part of their trip; 8% on business and vacation including guided trip; 10% MT residents.

#### \$119.6 million in Client Expenditures (includes all trip cost, not just outfitted)

39% of all expenditures from Hunting (\$46.4 million)  
31% of all expenditures from Fishing (\$37.2 million)  
30% of all expenditures from all other trips (\$35.9 million)

### OUTFITTER BUSINESS

- ❖ 48% have some full-time employees (approx. 1,500)
- ❖ 71% have some part-time employees (approx. 4,600)
- ❖ Approx. 4,300 guides in MT
- ❖ 18.25 average # of years outfitting
- ❖ 21.14 average # more years to outfit
- ❖ 7% of outfitters are non-profit (church, scouts, camps, etc.)
- ❖ Over 600,000 client days represented in 2005

#### % on waterways % of Trips on Each Type

56% Rivers	55% Forest Service
26% Lakes	48% Other private prop.
19% Reservoirs	31% My private property
	38% State lands
	32% BLM
	13% Nat'l Park Service
	2% Tribal lands

#### Outfitter Revenues Outfitter Expenses

43% Hunting	21% Payroll
33% Fishing	14% Contract labor
25% all other activities	12% Food/fuel/equipment
	11% Land leases
	6% Travel
	5% Insurance
	5% Advertising/promotion

### Economic Impact of the Outfitting Industry in Montana

	IMPACTS	Direct	Indirect	Induced	Combined
All Guided Trips	Industry Output	\$110,438,000	\$27,174,000	\$30,021,000	\$167,633,000
	Employment (# jobs)	1,956	276	358	2,590*
	Employee Income	\$37,435,000	\$6,029,000	\$7,972,000	\$51,435,000
	Proprietors' Income	\$4,035,000	\$1,751,000	\$1,632,000	\$7,417,000
	State & Local taxes	\$8,471,000	\$1,283,000	\$1,881,000	\$11,635,000
(Subset of above)					
Guided Hunting Trips	Industry output	\$43,694,000	\$10,800,000	\$12,252,000	\$66,745,000
Guiding Fishing Trips		\$34,221,000	\$8,238,000	\$9,189,000	\$51,649,000
All other Guided Trips		\$32,298,000	\$8,096,000	\$8,513,000	\$48,907,000

#### Economic Impact based on visitors ONLY in MT because of their guided trip (29% of all trips but 50% of total impact)

Industry Output	\$54,638,000	\$13,452,000	\$15,063,000	\$83,153,000
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**Definitions:** Direct impacts result from outfitted client purchases of goods and services; Indirect impacts result from purchases made by outfitter related businesses; and Induced impacts result from purchases by those employed in outfitter-related occupations.

\*Does not represent seasonal jobs

## Rob Arnaud

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**From:** Aasheim, Ron <raasheim@mt.gov>  
**Sent:** Wednesday, February 18, 2015 4:31 PM  
**To:** Rob Arnaud  
**Subject:** FW: Non Residents License sales

As per your request.

**From:** Gilbert, Marjorie  
**Sent:** Wednesday, February 18, 2015 4:30 PM  
**To:** Aasheim, Ron  
**Subject:** Non Residents License sales

Ron, after reviewing the figures with Sue, Non Resident license sales make up about two thirds of the license account.

Thanks!

*Marjorie Gilbert*  
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Management and Finance Division  
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*Montana Fish,  
Wildlife & Parks*

